

The Affordable Care Act (ACA)

Employer Responsibilities



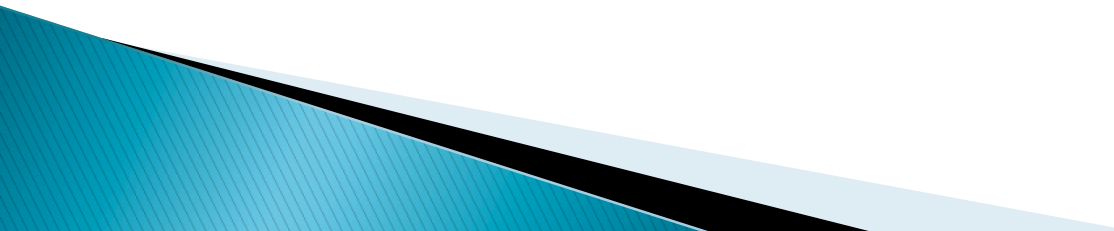
Department of
Human Resource Management

Overview

- The Patient Protection & Affordable Care Act (PPACA), March 2010
 - Continual IRS/HHS/DOL guidelines and updates
 - ***More changes to come***
 - Multiple pieces to The ACA; DHRM's focus is narrow - the employer responsibilities
- Employer Mandate
 - Measure hours paid for seasonal and variable hour employees beginning May 1, 2014
 - Offer health insurance coverage to qualified (full-time as per ACA) employees and their dependents, beginning July 1, 2015
 - Ensure coverage meets affordability and minimal essential value requirements as per ACA
- Who is qualified for Health Insurance?
 - Full-time (paid, on average, 30 or more hours per week) employees
 - Paid leave (FMLA, Jury Duty, Military Leave, Vacation, Sick) count toward the 30 hour calculation
 - Options: Offer benefits, reduce hours and hire more seasonal/variable hour employees
- Consequences of Non-compliance
 - 2 types of tax penalties (IRS)
 - Not offering health insurance to qualified employees (potential \$40,000,000 annual penalty)
 - Offering unaffordable coverage ➡ Current options are affordable



New Paradigm

- For employees with variable hour or seasonal schedules
 - Health insurance eligibility for the future is based upon hours worked in the past
 - Employees may go on and off of health insurance depending on eligibility
 - Benefits for these types of employees will no longer be “all or none”
 - Agencies must manage employee hours or budget for health insurance
 - Agency to manage related liability issues
 - The consequence of not offering coverage to even one employee who worked even one hour over 29 could mean the State of Utah would pay a tax for EVERY full-time employee (\$40,000,000)
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Ongoing Employees

- What is an “Ongoing” employee?
 - Seasonal/variable hour employees who are employed by the same employer for at least one Standard Measurement Period (12 months)
 - Those who are employed by the State on or before May 1, 2014
- The ongoing employee process consists of three distinct parts
 - 12 month Standard Measurement Period (track hours)
 - 60 day Administrative Period (qualified employees are offered coverage)
 - 12 month Stability Period (coverage period for qualified employees)
- Both qualified and non-qualified seasonal and variable hour employees will continually be assessed for eligibility through consecutive Standard Measurement Periods
- Employees could qualify for health insurance during one measurement period and not the next



2014												2015												2016												2017												2018											
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[illegible]

New Employees

- A “new” employee is anyone hired after May 1, 2014
- If a seasonal or variable hour employee is reasonably expected to average 30 or more hours per week over the 12 month measurement period, an offer of coverage should be made with-in 90 days of hire
- The new employee process consists of three distinct parts
 - 12 month Initial Measurement Period (track hours)
 - 30 day Administrative Period (qualified employees are offered coverage)
 - 12 month Stability Period (coverage period for qualified employees)
- The Initial Measurement Period for new employees will begin on the 1st of the month following their hire date, unless the 1st is the hire date
- New employees transition from “new” to “ongoing” after one full initial measurement period and one full standard measurement period
- There are different guidelines for qualified and non-qualified new hires
 - Rehired employees will be addressed soon (May?)

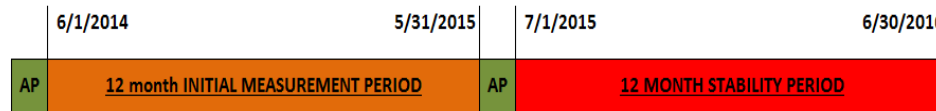


New Employee (QUALIFIED)

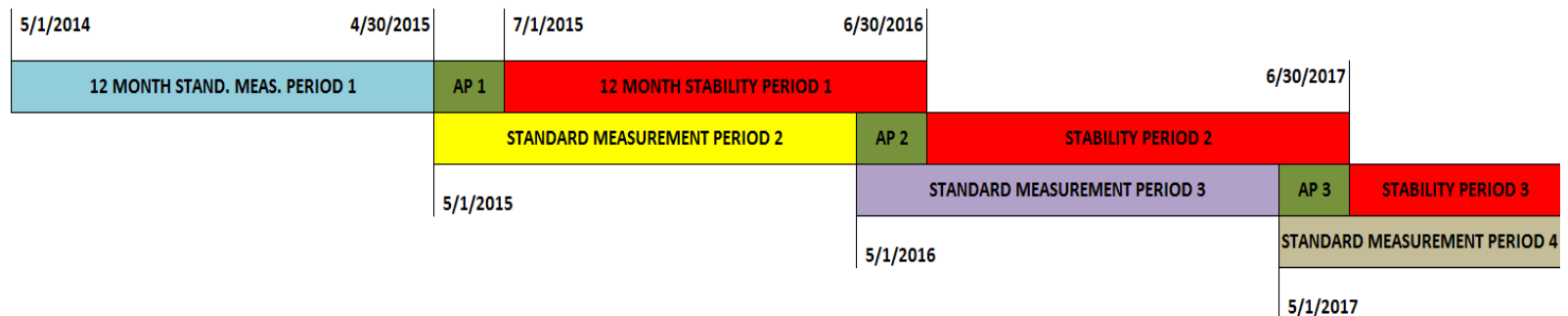
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QUALIFIED NEW HIRE

A QUALIFIED NEW HIRE BY RULE, RECEIVES A STABILITY PERIOD THE SAME LENGTH AS THE INITIAL MEASUREMENT



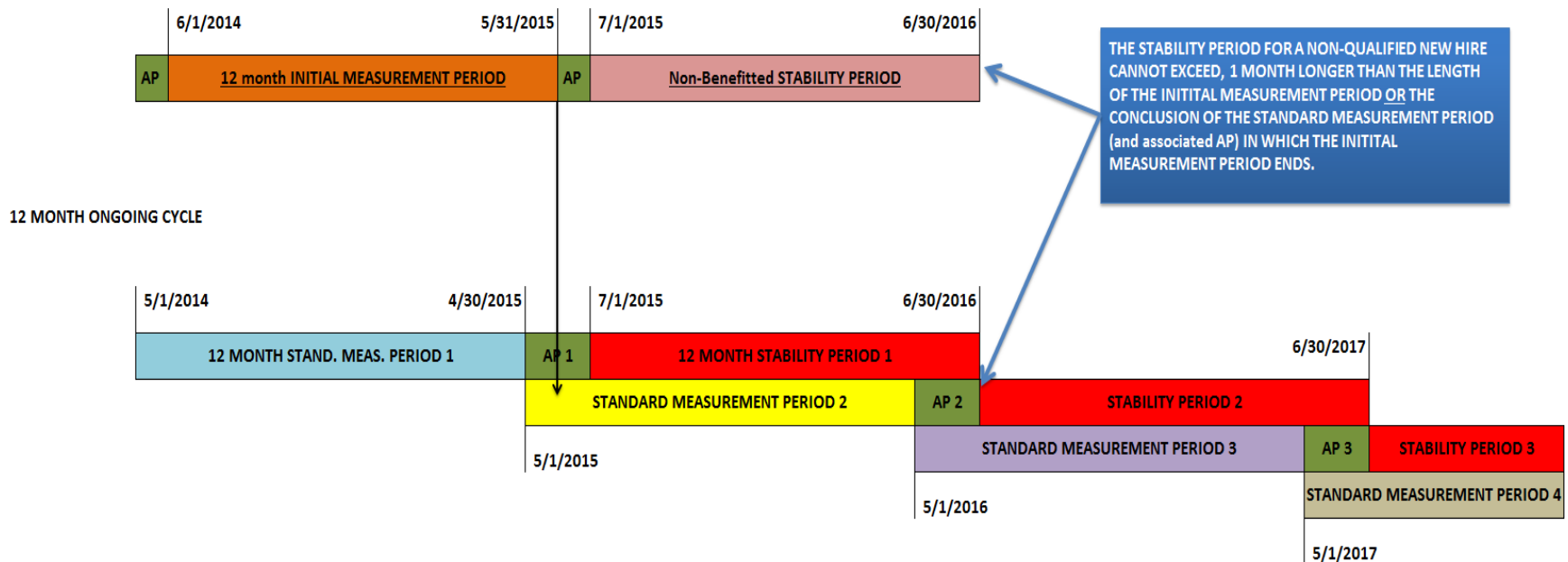
12 MONTH ONGOING CYCLE



New Employee (NON-QUALIFIED)

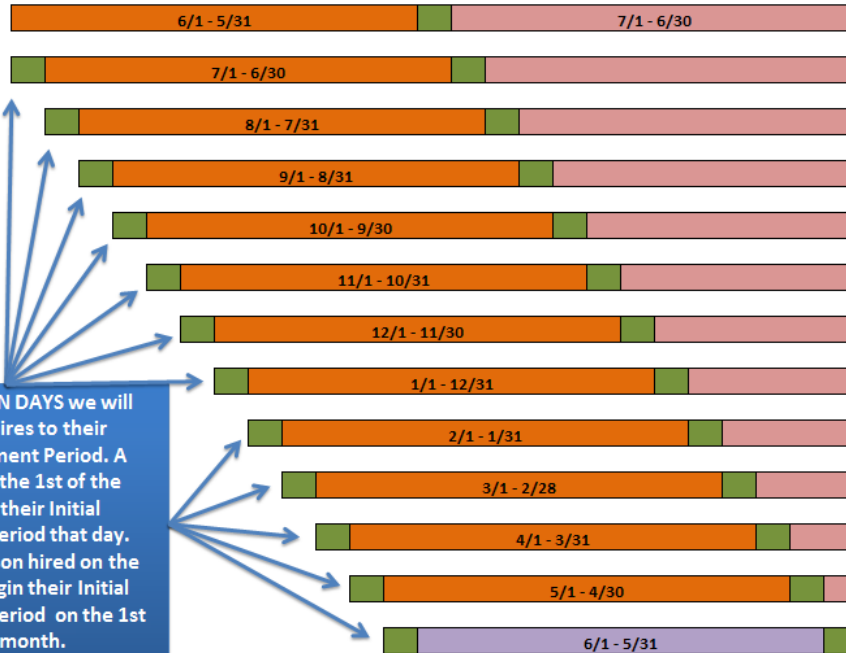
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NON-QUALIFIED NEW HIRE



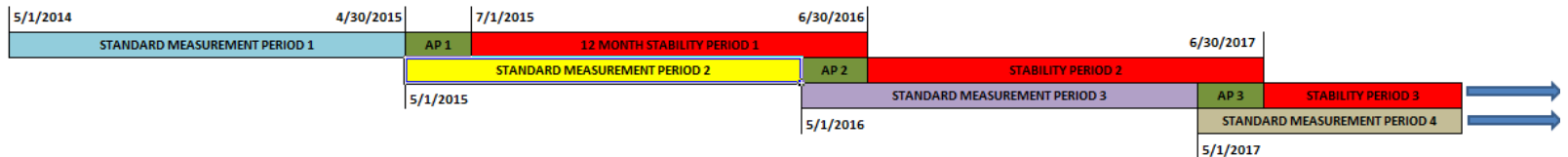
Big Picture (new hire, non-qualified)

2014												2015												2016												2017											
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- ADMIN DAYS
- INITIAL MEASUREMENT PERIOD (NEW HIRE)
- NON-BENEFITED STABILITY PERIOD
- BENEFITED STABILITY PERIOD
- STANDARD MEASUREMENT PERIOD (ONGOING)

These are ADMIN DAYS we will use to get new hires to their Initial Measurement Period. A person hired on the 1st of the month will start their Initial Measurement Period that day. Although, a person hired on the 2-30 (31) will begin their Initial Measurement Period on the 1st of the following month.



Tools

- Dedicated [website](#) for all employees
 - PowerPoint detail is available for review
 - FAQ's (general and liability issues)
 - Downloadable management and supervisor brochure
 - Definition page
 - More information and tools to come
 - Video for supervisor and staff
- DHRM will send monthly reports to HR Manager's
- DHRM will send HR Manager's list of employee's who qualify during the Administrative Period
- Interactive dashboard



Questions?

For More Information

Visit DHRM's
Affordable Care Act
[Website](#)

For Questions

Contact ERIC
801.538.ERIC (3742)
or
your HR Manager

